

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 05/25/2012
POSITION: Oppose

BILL NUMBER: AB 1594
AUTHOR: Eng, Mike

BILL SUMMARY: Charter schools: pupil nutrition.

This bill would require charter schools to provide one nutritionally adequate meal to classroom-based instruction students eligible for a free or reduced-price meal beginning in the 2013-14 school year. This bill would also provide an option for charter schools to apply for a two-year waiver from the State Board of Education if implementing this requirement creates a demonstrable financial hardship.

FISCAL SUMMARY

This bill would create annual Proposition 98 General Fund cost pressure of between \$500,000 and \$1,500,000 due to increased eligibility for the state supplemental meal reimbursement. This estimate is based on a 2010 California State Auditor report that identified 213, of the then active 815 charter schools statewide, provided classroom-based instruction and did not provide one nutritionally adequate meal to their students. For these schools, we also estimate that each school would have the statewide average for average daily attendance (ADA) of 400, and the statewide average for free or reduced-price lunches per unit of ADA of 45 percent.

Additionally, many charter schools would have to construct food preparation and food service areas in their current facilities; thereby, creating additional unquantifiable Proposition 98 General Fund cost pressures.

COMMENTS

The Department of Finance is opposed to this bill for the following reasons:

- This bill would create significant Proposition 98 General Fund cost pressures that are not included in the 2012 Budget Act.
- These additional costs could exacerbate the financial burden that charter schools are already facing, given that charter schools receive less per ADA funding than traditional public schools and have less access to borrowing and other debt instruments.
- By imposing additional requirements on charter schools, this bill runs contrary to the operational flexibility intended for charter schools as an alternative to traditional public schools. We note that current law does not prohibit charter schools from providing meals to students if they elect to do so.

Existing law requires all non-charter public schools to provide one nutritionally adequate meal to students eligible for a free or reduced-price meal. A majority of these schools are eligible for the federal National School Lunch Program (NSLP) and the School Breakfast Program (SBP), where the NSLP provides between \$2.37 and \$2.79 for a free or reduced-price meal and the SBP provides between \$1.21 and \$1.80 for a free or reduced-price meal. If a school is eligible for either the NSLP or the SBP, they are also eligible for the supplemental state meal reimbursement of \$0.22 per meal.

Analyst/Principal (0354) L.Del Castillo	Date	Program Budget Manager Nicolas Schweizer	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

Eng, Mike

05/25/2012

AB 1594

	SO	(Fiscal Impact by Fiscal Year)					
Code/Department	LA	(Dollars in Thousands)					
Agency or Revenue	CO	PROP					Fund
Type	RV	98	FC	2012-2013 FC	2013-2014 FC	2014-2015	Code
6110/Dept of Educ	LA	Yes		----- See Fiscal Summary -----			0001